



Item # 12

DATE February 6, 2019

TO GCTD Board of Directors

FROM Beatris Megerdichian, Transit Planner *BM*

SUBJECT The Economic Impact Report of Gold Coast Transit District

SUMMARY

The attached Economic Impact Report quantifies and describes how local jobs and incomes are generated through the operations, maintenance of buses and capital projects at GCTD using the “My Economic Impact Tool” developed by the American Public Transportation Association (APTA). The tool is provided to help transit agencies communicate the important role that continued and sustained investment in public transit plays in their local economies. The Economic Impact Report for Gold Coast Transit District uses budget information from the fiscal year 2017-2018, and includes information on the following areas:

- Direct and In-direct jobs supported by both agency operations and capital expenditures
- Direct and subsequent (multiplier) effects to the local economy
- Overview of the diverse occupational mix of jobs supported by transit investments

A presentation summarizing key highlights of the Economic Impact Report for GCTD will be presented at the Board Meeting.

RECOMMENDATION

It is recommended that the GCTD Board of Directors receive and file this report and presentation. This report is for information only.

GENERAL MANAGER’S CONCURRENCE

Steven P. Brown
General Manager

GOLD COAST TRANSIT DISTRICT

ECONOMIC IMPACT REPORT

February 2019



GOLD COAST TRANSIT DISTRICT

CITY OF OJAI | CITY OF OXNARD | CITY OF PORT HUENEME | CITY OF VENTURA | COUNTY OF VENTURA
301 EAST THIRD STREET, OXNARD, CA 93030 | P 805.483.3959 | F 805.487.0925 | GOLDCOASTTRANSIT.ORG

ECONOMIC IMPACT REPORT

TABLE OF CONTENTS

I.	Executive Summary	3
II.	Introduction	3
III.	Methodology	5
IV.	Approach	5
V.	Economic Impact	6
VI.	GCTD's Additional Role in Job Access	14
VII.	Communicating to the Community	16
VIII.	Conclusion	16

I. EXECUTIVE SUMMARY

The operations of Gold Coast Transit District (GCTD) play a significant role in the economy of Ventura County. This report describes how local jobs and incomes are generated by the operation of GCTD. The agency's ongoing investment in its service operations, maintenance, and capital projects in fiscal year 17-18 supported **494 jobs representing \$31 million dollars of worker income in the service region. This impact can also be seen as supporting \$67 million of Gross Regional Product.** This activity includes people employed directly by the agency or in public transit construction projects, as well as jobs as contractors and suppliers who provide goods and materials to the agency. Income earned by employees is also present in the economy, supporting local businesses such as restaurants and retail stores. Thus, public money invested in public transit not only supports improved access for residents and visitors, it also returns to the community in the form of additional jobs and income.

- GCTD operating and capital budget has supported 200 direct jobs plus 93 indirect and 127 induced jobs.
- Those jobs combined provide approximately \$31 million in personal income.
- A total of 368 jobs in 14 various sectors are supported by GCTD's **operations budget**.
- A total of 126 jobs in 14 various sectors types are supported by GCTD's **capital budget**.
- Approximately, 20% of public transit commuters in each of the Cities (exception of Ojai, at 28%) and the County are employed in the educational services, health care and social assistance industries.

The purpose of this Economic Impact report is to demonstrate the specific economic value of Gold Coast Transit District to the local area. This Economic Impact Study helps stakeholders better understand how essential investing in transit is to the local economy. The study may also serve a variety of purposes from public information, to support for transit funding discussions, to long-range planning.

II. INTRODUCTION

Gold Coast Transit District provides public fixed-route and paratransit service in the cities of Ojai, Oxnard, Port Hueneme, Ventura and the unincorporated areas of Ventura County. With nearly 3.5 million passenger trips provided each year, GCTD is the largest public transportation operator in Ventura County. The fleet includes 56 buses and 28 paratransit vehicles all powered by clean natural gas supplied by an on-site CNG fueling station.

In FY 17-18, Gold Coast Transit District delivered over 3.5 million passenger trips and operated 2.1 million miles of revenue service in western Ventura County. In

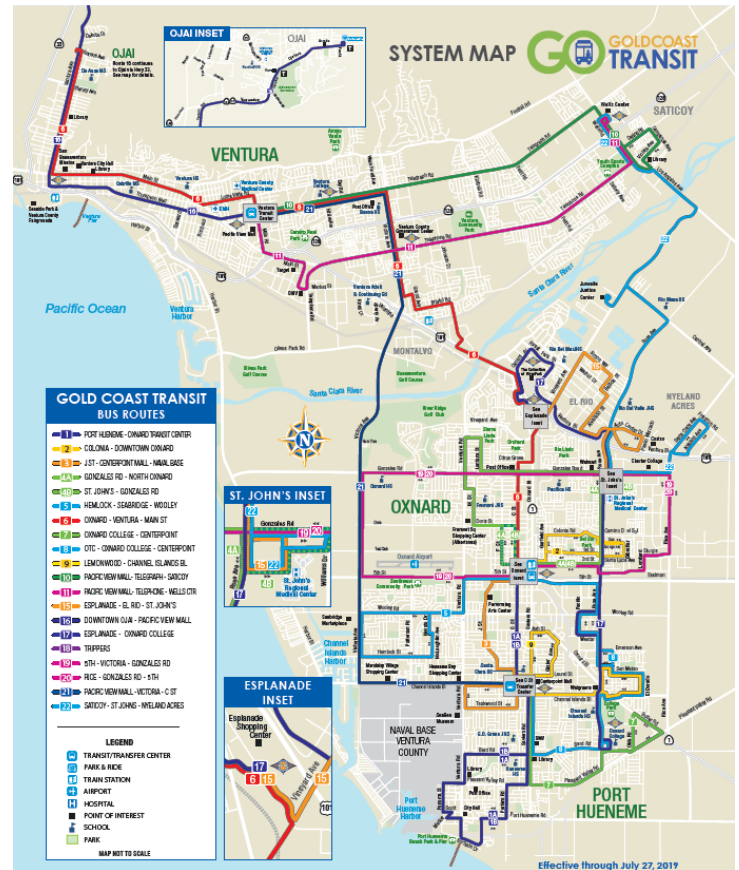
addition, our ACCESS paratransit service provided over 114,000 trips to seniors and people with disabilities.

Mission

GCTD's mission is to provide safe, responsive, convenient, efficient, and environmentally responsible public transportation that serves the diverse needs of our community.

Statistics

- Service Area: Ojai, Oxnard, Port Hueneme, Ventura & County of Ventura
- Population Served: 375,000
- Average Weekday Passengers: (FY 17-18) 10,907
- Fixed-Route Annual Passengers: (FY 17-18) 3.5 million
- Fixed-Route Annual Revenue Miles (approx.) 2.1 million
- ACCESS Paratransit Annual Passengers: 114,000
- 56 - fixed-route buses
- 24 - paratransit buses and vans
- Fuel Type: 100% Clean Natural Gas



Board of Directors

The District is governed by a Board of Directors. Each of the District's member jurisdictions appoints one elected official from its governing body to serve on the Board of Directors and a second to serve as an alternate member. The Board of Directors regular monthly meetings are held on the first Wednesday of each month at 10 a.m.

GCTD's Leadership

The District's General Manager is appointed by, and reports to, the Board of Directors. The General Manager is charged with carrying out the Board's policies and directives and has full charge of the operation of the District's services, facilities, and administration of business affairs. The District's Management Team is comprised of: (Listed in alphabetical order by Department)

- **General Manager - Steven P. Brown**
- Assistant General Manager - Reed Caldwell
- Director of Finance and Administration - Steve L. Rosenberg
- Director of Human Resources - Debbie Williams
- Director of Planning and Marketing - Vanessa Rauschenberger
- Director of Operations and Maintenance -vacant

Employees

The District has **197** employees, the majority of whom operate or maintain buses. Service Employees International Union Local 721 represents all bus operators, most maintenance employees and five administrative staff members. Teamsters Local Union 186 represents Operations and Maintenance Supervisors. GCTD contracts with MV Transportation for the operation of ACCESS Paratransit.

III. METHODOLOGY

The Economic Impact analysis was based on the spending budget of \$24,036,600 in FY 17-18 and an economic impact model for the region through *My Economic Impact Tool* provided by the American Public Transportation Association (APTA).

GCTD provides capital and operating data to the Federal Transit Administration's (FTA) National Transit Database (NTD). The National Transit Database provides comprehensive reports of GCTD's operating and capital expenses. The reports were used as inputs in APTA's *My Economic Impact Tool*. *My Economic Impact Tool* provides an economic model of the local economy which is needed to track these effects and show how they lead to a broad mix of job types, affecting a range of businesses. APTA provides its members with an economic accounting framework and model that can track each agency's unique pattern of capital and operations spending and apply locally-specific economic multipliers to show the broad range of jobs and income generated by it. This tool can be accessed at www.apta.com/myeconomicimpact.

IV. APPROACH

Using GCTD's operating and capital budgets, *My Economic Impact tool* generates the following categories of effects to illustrate GCTD's impact on the local economy.

- a. **Direct Effects** - jobs and wages for the GCTD's own workers;
- b. **Indirect Effects** - purchases from vendors who supply equipment, materials, and services, thus supporting jobs and wages at vendor companies; and

- c. **Induced Effects** - the re-spending of worker wages on consumer purchases, which support additional jobs and wages in retail and service sectors of the economy.

This study also notes the extent to which commuters depend on transit to get to work, as that indicates the extent of transit-dependent jobs and wages in the region (dependency effects).

V. ECONOMIC IMPACT

GCTD's operating and capital budget expenditures for FY 17-18 were used as inputs for this analysis. Because the largest component of the operating budget is salaries and wages and the capital budget is primarily made up of construction, major maintenance and rehabilitation, equipment purchases; the impacts of the two budgets will be different. The section below summarizes the local economic impact of GCTD's transit service.

Table 1:
Local Economic Impact Summary of Gold Coast Transit District in FY 17-18

Impact Type	Employment	Labor Income (\$M)	Value Added (\$M)	Output (\$M)
Direct Effect	274	\$19.63	\$20.90	\$33.35
Transit Operations & Maintenance	200	\$15.46	\$15.46	\$22.71
Transit Capital Investment	73	\$4.17	\$ 5.44	\$10.64
Indirect (Supplier) Effect	93	\$4.87	\$6.82	\$14.27
Driven by Operations & Maintenance	72	\$3.44	\$4.57	\$ 9.76
Driven by Capital Investment	21	\$1.43	\$ 2.25	\$ 4.51
Induced (Income Re-spending) Effect	127	\$6.63	\$11.75	\$19.73
Driven by Operations & Maintenance	95	\$4.96	\$8.80	\$14.78
Driven by Capital Investment	32	\$1.66	\$2.95	\$4.96
Total Effect	494	\$31.12	\$39.47	\$67.35
Driven by Operations & Maintenance	368	\$23.86	\$28.83	\$47.24
Driven by Capital Investment	126	\$7.27	\$10.64	\$20.11

Direct effects:

The direct effects include the direct activity(ies) of the Gold Coast Transit Districts operations. The direct effect is usually defined in terms of output or employment.

GCTD's operating budget is largely salaries, wages and benefits paid to employees, the majority of whom operate or maintain buses.

For *Operations & Maintenance (O&M)* in table 1 above, the Direct Effect indicates that GCTD has supported **200 staff; GCTD's annual payroll for those staff is \$15 million; the agency produces \$22 million in transit services;** and the value-added on those services is \$15 million.



For example, Gold Coast Transit District contracts with MV Transportation to provide ACCESS Paratransit Service. The annual operational expenses for MV Transportation are over \$3.5 million **employing approximately 44 personnel.**

In table 1, **Direct Effects under the Capital** indicate some **73 jobs from among construction firms and construction related jobs.** For example, in FY 17-18, GCTD expended \$14,545,813.99 on capital costs related to new facility construction.



Indirect effects:

The indirect effects capture the impacts on firms that (directly and indirectly) supply the activity defined in the direct effects(s).

In table 1, under *Operations & Maintenance (O&M)*, the Indirect Effect reflects GCTD's 'outside of agency' purchases that are adjusted for "local" procurement. This amounts **to 72 jobs across various sectors that provide goods & services; with annual labor income of \$3 million**; local indirect transactions represent \$9 million in local sales; and the value-added on those sales is \$4 million.

Payments to over 250 vendors who provided goods and services amounted to \$2,911,317 in FY 17-18. Vendors range from uniform providers for operators and staff, security personnel, and vendors for bus equipment and parts. Vendors include:

- **Gillig** (Buses)
- **Aramark** (Mechanic Uniforms)
- **California Panther Security** (Security)
- **Staples** (Office Supplies)



Maintenance of vehicles makes up a significant portion of GCTD's budget. Maintenance costs amounted to \$3,208,668 in FY 17-18 which included contracted maintenance repairs and services, repair parts, and operations and maintenance of the CNG station.

For Indirect Effects under the *Capital context*, **this amounts to 21 jobs across various sectors that provide goods & services; with annual labor income of \$1.4 million; local indirect transactions represent \$4.5 million in local sales;** and the value-added on those sales is \$2 million.

Induced effects:

The induced effects capture the impacts of spending by households receiving income based on direct and indirect effects.

These are the influences on the local economy from changes in household spending whenever income (here earned income) changes. When consumer spending increases and some portion of that is with local businesses, jobs are created, and those jobs are paid wages and benefits. **127 local jobs are associated with increase in local household spending, those jobs are paid \$6 million in wages and benefits, those jobs are associated with \$19 million in sales and \$11 million in value-added on those sales.**



Approximately 86 percent of employees live within GCTD's service area and about 96.4 percent live within the Ventura County region, including the service area. Earned income among employees who work and reside within the service area and the County contribute to the overall consumer spending benefiting the overall economy of Ventura County.

Another induced effect is the savings that individuals gain from riding public transportation. The average annual savings is \$10,160 for individuals who ride public transportation (APTA, June 2018). When individuals ride public transportation their travel costs are lowered freeing up a greater share of their disposable income to be spent on living expenses like food and housing or discretionary expenses like dining out or going to the movies.

Jobs impact by sector and by occupation

This economic impact analysis reports on the jobs by sector and occupation type that are supported by GCTD's operations and capital budget. GCTD's operations and capital budget supports jobs in 14 different sectors and in 23 various occupation areas within the local economy of GCTD's service area.

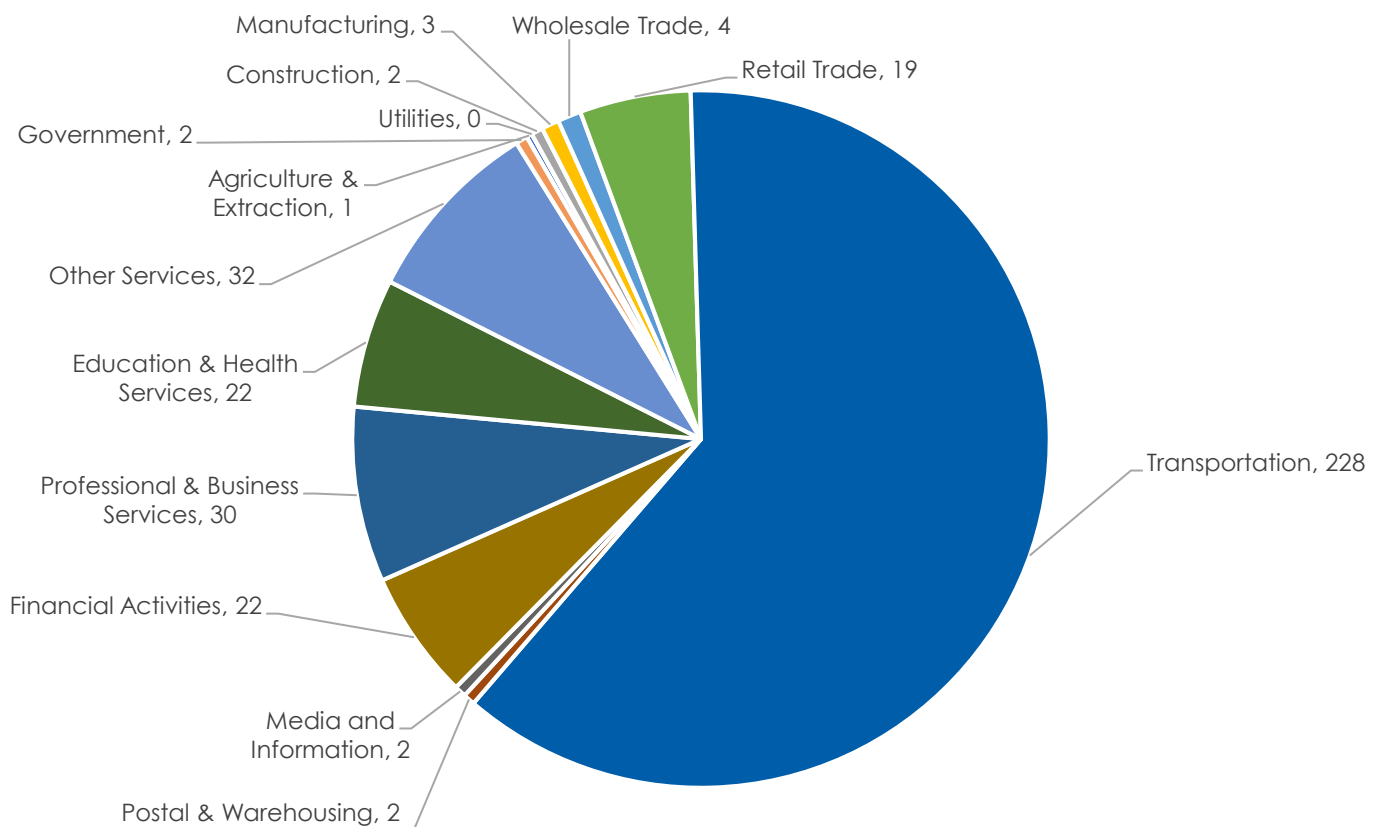
Note that jobs reported under "Other Services" for Direct Effects are primarily in maintenance and repair services, while those reported as "Other Services" under Induced Effects correspond to industries supported by consumer spending, such

as restaurants. "Other Service" in both Direct and Induced Effects are combined in the first two graphs below.

Jobs by Sector – Operations & Maintenance

A total of 369 jobs in 14 various sectors within the local economy of GCTD's service area is supported by GCTD's operations budget. Jobs in the Transportation sector occupy the greatest number of combined total jobs at 228 jobs. The second highest category is "Other Services" which comprise 32 jobs. The third sector with highest jobs is Professional & Business Services with combined total of 30 jobs between all three categories.

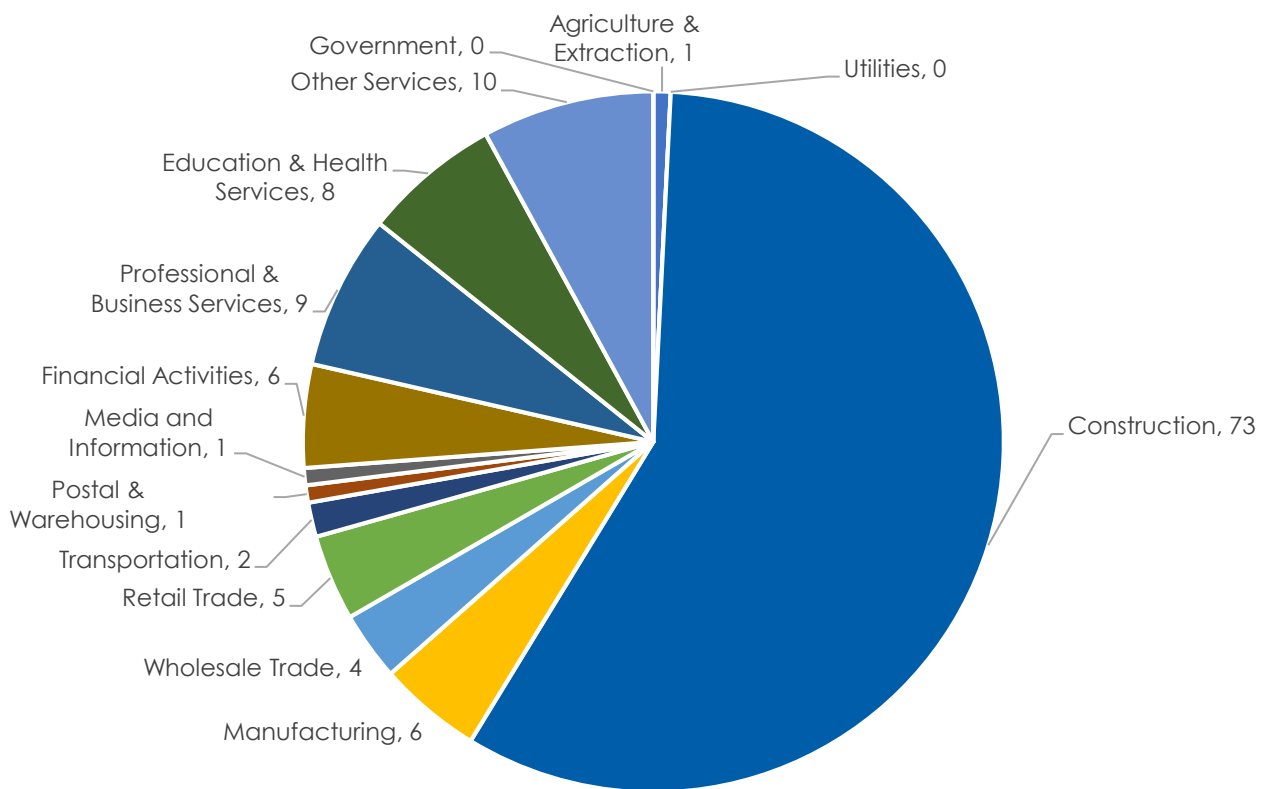
Jobs by Sector, Operations & Maintenance (FY17-18)



Jobs by Sector - Capital

A total of 126 jobs in 14 various sectors are supported by GCTD's capital budget within the local economy of GCTD's service area. The Construction sector comprises the most jobs within direct, indirect and induced jobs at a total of 73 jobs. "Other services" amount to 10 jobs at the second highest. The Professional & Business Services amount to 9 jobs as the third highest sector.

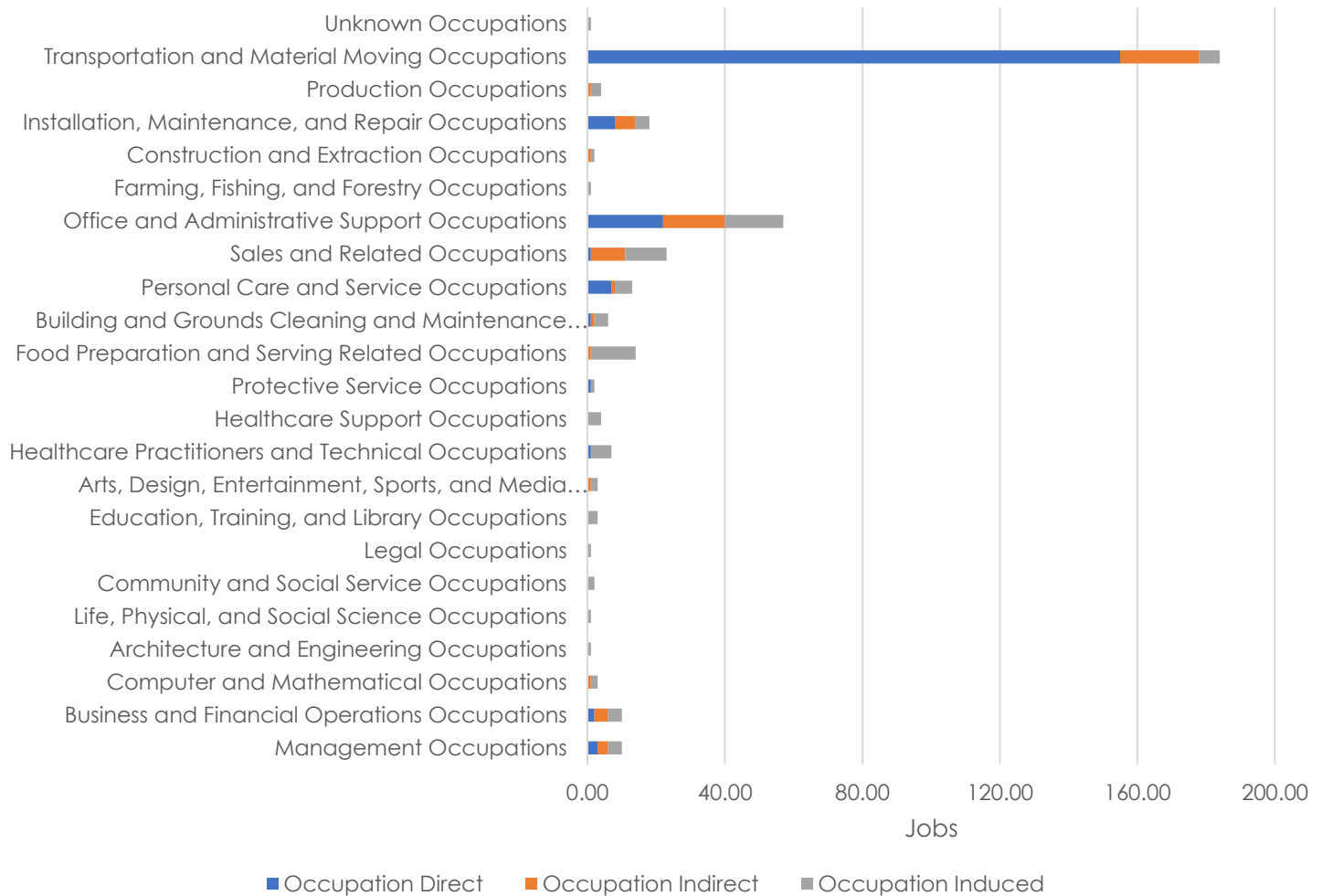
Jobs by Sector, Capital (FY17-18)



Jobs by Occupation – Operations & Maintenance

A total of 368 jobs in 23 various occupations are supported by GCTD's operations budget within the local economy of GCTD's service area. Within Operations & Maintenance, the highest number of jobs are in Transportation and Material Moving Occupations for a combined total 184 direct, indirect and induced jobs. The second highest occupation type is Office & Administrative Support for a combined total of 57 combined jobs for all categories. The third highest occupation type is Sales and Related with 23 jobs.

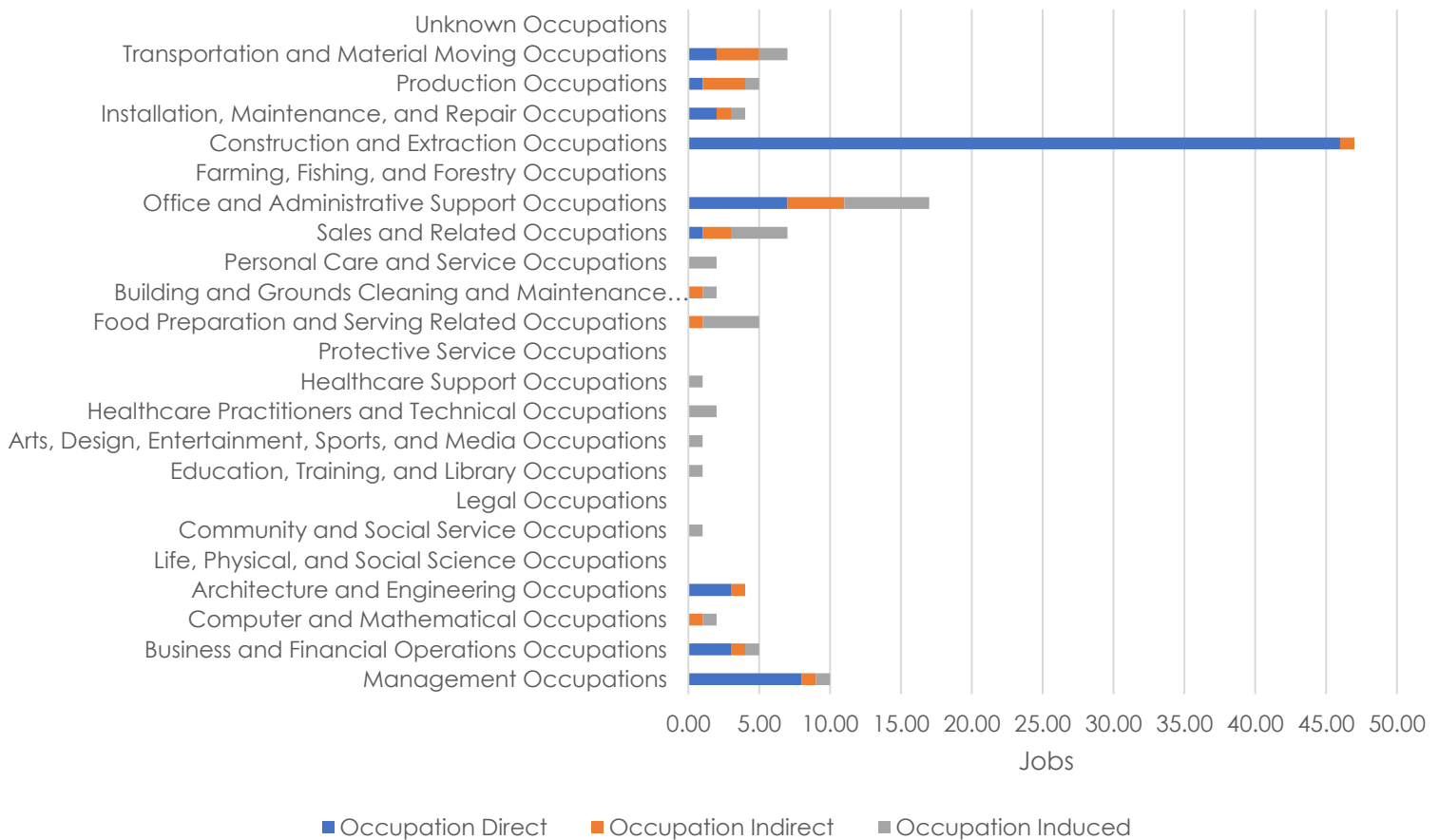
Jobs by Occupation, Operations & Maintenance (FY17-18)



Jobs by Occupation – Capital

A total of 125 jobs in 23 various occupations are supported by GCTD's capital budget within the local economy of GCTD's service area. 47 jobs are created within the Construction and Extraction occupations. The next highest category in which jobs are created is Office and Administrative Support which comprises 17 jobs. Several of the jobs are within, Management, Business and Financial Operations, Food Preparation and Serving Related.

Jobs by Occupation, Capital (FY 17-18)

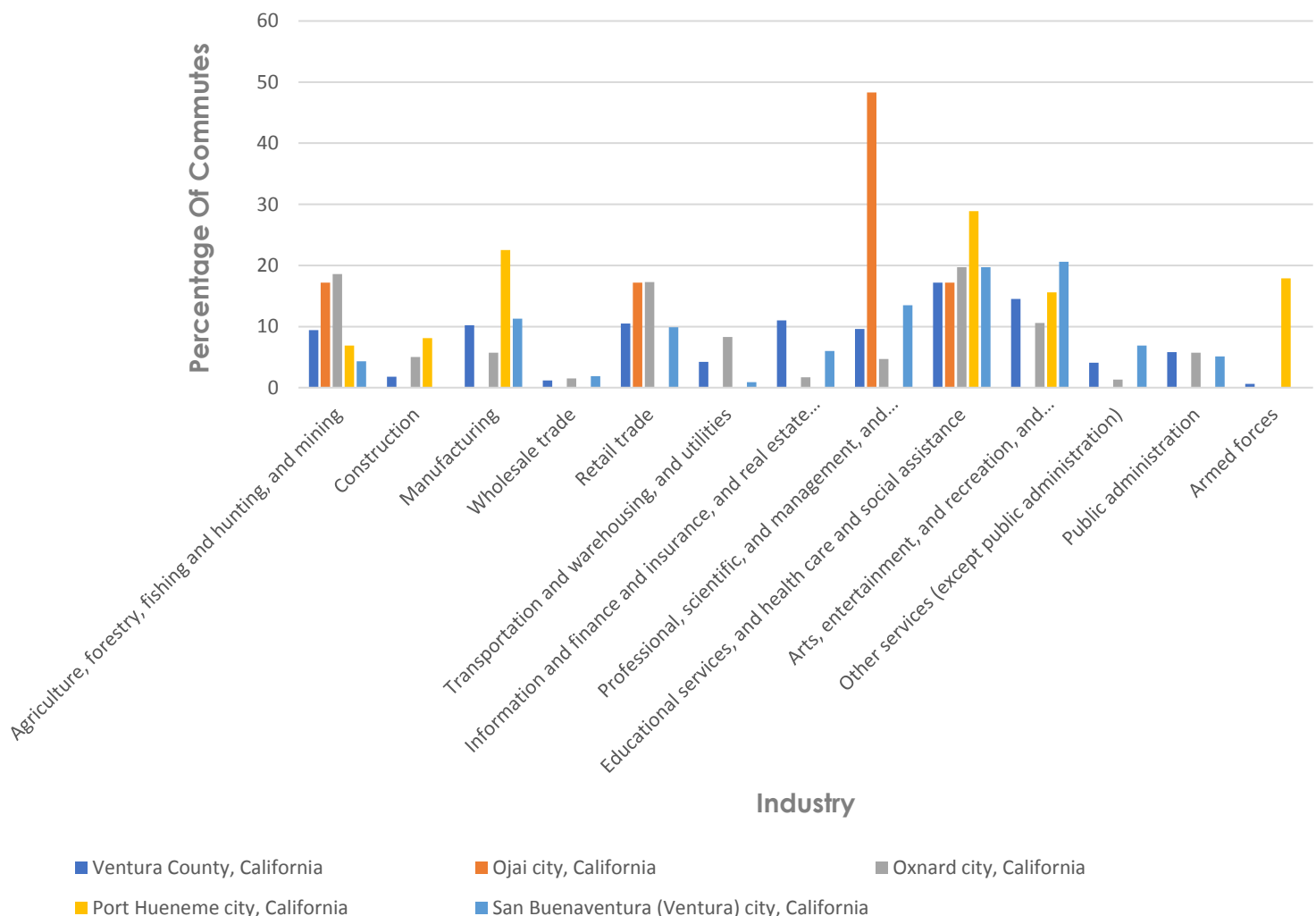


VI. GCTD'S ADDITIONAL ROLE IN ENABLING JOB ACCESS

Public transportation systems improve labor market by facilitating employment opportunities. Employers benefit through access to an expanded pool of job seekers and jobs may be filled faster and at a lower search cost. This provides improved productivity through access to more qualified workers and improved business mobility as firms seek to relocate to or within the region. Similarly, job seekers benefit from access to employment opportunities by virtue of being able to commute to jobs.

The U.S. Census Bureau's American Community Survey publishes data on "Means of Transportation to Work by Industry"¹. This data provides estimates of the total number of people in a given geography who commute to work using public transportation within various industries. It further breaks down those estimates into 14 industry sectors. These counts provide a picture of the scale of the transit-using

Commute to Work using Public Transportation, By Industry (2017)



1. Data retrieved from American FactFinder: <https://factfinder.census.gov/>

workforce on which employers depend, as well as insight into certain industries that may be particularly reliant on public transit for access to their workforce.

The graph above shows the percentage of transit using workforce for each of the 14 industries within each city in the Gold Coast Transit District service area and Ventura County overall. The Ventura County data represents all of Ventura County and is not aggregated to only represent unincorporated areas within Gold Coast Transit District service area. Additionally, other public transportation operators including Ventura County Transportation Commission (VCTC) Intercity service, Ojai Trolley, Metrolink and Amtrak, operate within GCTD's service area. The data in the above graph represents commutes to work using public transportation which may include trips on services provided by the mentioned operators above.

In addition to the role of GCTD's spending in generating area jobs, the services of Gold Coast Transit District also support additional jobs by offering a commuting option for traveling to and from work.

In the Gold Coast Transit District service area, the industries that collectively rely most heavily on transit for access to their workforce are Educational services, health care and social assistance industries across all Cities and the County in GCTD's service area. Approximately, 20% of public transit commuters in each of the Cities (with the exception of Ojai at 28%) and the County are employed in the educational services, health care and social assistance industries. The second industry most reliant on transit is Arts, Entertainment, and Recreation. 10% of public transit commuters in Oxnard are employed in Arts, Entertainment and Recreation, 20% in Ventura and 15% in Port Hueneme. Finally, a large portion of commutes to work were made across all 14 industries within the cities of Oxnard and Ventura while only select industries rely on transit in other cities. Oxnard and Ventura are the two largest cities within the GCTD service area.

Public transit also provides critical access to education, health care, and other activities that support community livability and contribute to the overall economy. According to 2016 Title VI survey conducted by GCTD, of the riders surveyed from 3 of the 20 GCTD routes, 27% of the trips were made to commute to work, 12% of trips were made for educational purposes, another 12% were made for shopping that represent local sales in the economy, and 10% are medical trips that help ensure the continued health of our community.

VII. COMMUNICATING TO THE COMMUNITY

As demand for transportation increases, helping the public become more aware of our economic impact and value in the community is key to gaining support for investment in our transit systems. A review of other transit agencies Economic Impact studies shows how this information was used. These are ways GCTD could use this information in the future.

- Funding for projects and programs - by informing legislators and voters about the public return on investment from funding transit projects and services.
- Policy making - by better informing the public so that they can better understand the value of local transit services to the community and economy.
- Long-range planning - by better informing stakeholders about economic opportunities and risks associated with alternative transit system scenarios.

VIII. CONCLUSION

GCTD's contribution to the economy of Ventura County is significant in terms of employment, income, economic output, and increased labor mobility. **Public transit is a vital resource for the community as well as generator of jobs, and direct investment in the local economy.**

- **Over 494 jobs are supported by the Districts FY 17-18 operating and capital budget.**
- **The jobs generated represent nearly \$31 million in worker income.**
- **\$67 million in total output in goods and services in the region.**
- **14 industries rely on public transportation for access to their workforce with Educational services, health care and social assistance industries relying most heavily. Approximately 20 % of public transit commuters are employed in these sector across most cities (with exceptions of Ojai) and the county overall.**
- **Every \$1 invested in public transit, generates approximately \$4 in economic returns (APTA, 2017)**
- **87 percent of public transportation trips directly benefit the economy by getting people to work and connecting them to local businesses (APTA, 2017).**

This study also demonstrates that employers and employees rely on GCTD for commuting. Without GCTD, those persons would likely be either underemployed or unemployed. The population of Ventura County is expected to grow by nearly 10% from approximately 860,000 in 2018 to 935,000 in 2050.² With growth, demand for transportation services will increase, requiring additional funding for public transportation services. The purpose of this report is to help provide information on the existing economic impact of GCTD's operations on the local economy and demonstrate how investment in transit can return the investment to the community.